

## **Kentucky's Nationwide Program for National and State Background Checks**

### **Abstract**

Kentucky's Office of Inspector General, the agency with clear authority to oversee and coordinate the *Nationwide Program for National and State Background Checks for Direct Patient Access Employees of Long Term Care Facilities and Providers*, is respectfully requesting \$3 million federal grant funds for successful implementation. As required, Kentucky will be providing \$1 million non-Federal funds at the required match rate for a total budget of \$4 million. Collectively, the grant funds will be used to enhance protective measures intended to reduce the potential for abuse, neglect, or exploitation of residents or patients by adding FBI checks where only State checks are currently completed. The realization of this goal, in fiscal years 2010-2012, will result in an increase in the number of employee disqualifications based on national FBI checks and strengthened partnerships with key stakeholders.

Specifically, the grant funds will be used to purchase necessary live scan equipment and implement the new background requirement statewide. Once collection sites are established through memorandum of agreements, long term care providers will be informed of the new program and monitored for compliance. Concurrent to grant implementation, legislation will be filed to secure additional state authority during the 2011 Session of the General Assembly.



**CABINET FOR HEALTH AND FAMILY SERVICES  
OFFICE OF INSPECTOR GENERAL**

**Steven L. Beshear**  
Governor

275 E. Main Street, 5 E-A  
Frankfort, Kentucky 40621-0001  
(502) 564-2888  
Fax: (502) 564-6546  
<http://chfs.ky.gov/os/oig>

**Janie Miller**  
Secretary

**Mary Reinle Begley**  
Inspector General

August 5, 2010

Debra Spears  
Centers for Medicare & Medicaid Services  
CMCS/SCG/DNH, Mai Stop: S2-12-25  
7500 Security Boulevard  
Baltimore, MD 21244-1850

Re: Lead Organization Cover Letter in Response to CFDA # 93.506

Dear Ms. Spears:

Kentucky's Office of Inspector General (OIG) is respectfully requesting \$3 million to fully implement the state-wide program for "National and State Background Checks for Direct Patient Access Employees of Long Term Care Facilities and Providers" (Funding Opportunity: CMS-1A1-10-001). Having the clear authority to oversee and coordinate the proposed activities, OIG will serve as the lead organization for full grant implementation in collaboration with the following partners:

**Kentucky State Police**

Point of Contact: Lieutenant Colonel Bradley D. Bates  
Justice & Public Safety Cabinet  
Kentucky State Police Headquarters  
919 Versailles Road  
Frankfort, KY 40601  
Phone: 502-695-6300  
Email: [Brad.Bates@ky.gov](mailto:Brad.Bates@ky.gov)

**Office of Administrative & Technology Services (OATS)**

Point of Contact: Kathy Frye, Deputy Executive Director  
Kentucky Cabinet for Health & Family Services  
275 East Main Street  
Frankfort, KY 40621  
Phone: 502-564-6478  
Email: [Kathy.Frye@ky.gov](mailto:Kathy.Frye@ky.gov)

**Kentucky Department for Aging and Independent Living**

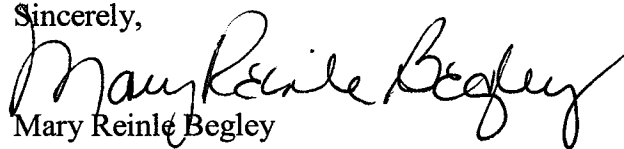
Point of Contact: Carla Crane, Ph.D., Senior Policy Advisor  
Cabinet for Health & Family Services  
275 East Main Street, Mail Stop 3E-E  
Frankfort, KY 40621  
Phone: 502-564-6930  
Email: [Carla.Crane@ky.gov](mailto:Carla.Crane@ky.gov)

The proposed title of the program is "Kentucky's Nationwide Program for National and State Background Checks" and the principal contact person and information is as follows:

Stephanie Brammer-Barnes  
Office of the Inspector General  
275 East Main Street, 5E-A  
Frankfort, KY 40621  
Phone: 502-564-2888, extension 3348  
Email: [Stephanie.Brammer@ky.gov](mailto:Stephanie.Brammer@ky.gov)

Thank you for the consideration of the enclosed proposal. We will be readily available to answer any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Reinle Begley". The signature is fluid and cursive, with the first name "Mary" being the most prominent.

Mary Reinle Begley  
Inspector General



## Kentucky Assisted Living Facilities Association

August 5, 2010

Debra Spears  
Centers for Medicare and Medicaid Services  
CMCS/SCG/DNH, Mail Stop: S2-12-25  
7500 Security Boulevard  
Baltimore, MD 2144-1850

Re: Support Letter for Kentucky's National and State Background Checks for Direct Patient  
Access Employees of Long Term Care Facilities and Providers

Dear Ms. Spears,

The Kentucky Assisted Living Facilities Association is writing in support of Kentucky's Nationwide Program for National and State Background Checks. As a consumer driven industry, it is important to ensure that residents of assisted living communities live in a safe and secured environment.

The proposed national and state background checks program align with the core values of KALFA. This initiative allows our members to continue providing outstanding service and exceptional care while ensuring that qualified individuals are employed within the industry.

We are pleased to offer our support for Kentucky's Nationwide Program for National and Background Checks.

Sincerely,

Susan Matherly  
President, KALFA Board of Directors

Chet Mitchell

Chet Mitchell  
KALFA, Executive Director



*Kentucky Association of  
Homes and Services  
for the Aging, Inc.*

August 6, 2010

Debra Spears  
Centers for Medicare & Medicaid Services  
CMCS/SCG/DNH, Mail Stop: S2-12-25  
7500 Security Boulevard  
Baltimore, MD 21244-1850

Re: Support Letter for Kentucky's National and State Background Check Initiative for Direct Patient Access Employees of Long Term Care Facilities and Providers

Dear Ms. Spears:

The purpose of this correspondence is to express the full support of the Kentucky Association of Homes and Services for the Aging (KAHSA) for Kentucky's effort to secure funding in response to CMS' solicitation for a national background check program for direct patient access employees in Nursing Homes, Home Health Agencies, Hospices, Adult Day Care, and other provider categories. KAHSA works to ensure a well-trained, competent workforce at the state and local levels through the development of freestanding training programs, distance learning, continuing education and technical assistance.

Kentucky's proposed national and state background check initiative is aligned with KAHSA's vision of a thoroughly screened, well-trained, competent workforce throughout the state. KAHSA is an approved provider, offering CEUs for a variety of long term care professions. As such, we look forward to participating as a key partner both during and after grant implementation and offer full support of the proposed initiative.

Please feel free to contact me if you should have questions or require additional information.

Sincerely,

Timothy L. Veno  
President

2501 Nelson Miller Parkway  
Louisville, Kentucky 40223  
502-992-4380  
Fax 502-992-4390  
www.kahsa.com

*Affiliate of AAHSA, Representing Organizations Dedicated to Providing Quality Care Services*

Debra Spears

Department of Health & Human Services

Centers for Medicare & Medicaid Services

7500 Security Boulevard, Mail Stop S2-12-25

Baltimore, Maryland 21244-1850

August 4<sup>th</sup>, 2010

Dear Ms. Spears

It is with great enthusiasm that I write this letter of support for the Kentucky Office of Inspector General's decision to respond to the CMS solicitation for Federal matching grants for a multi-year National Background Check Program for Patient Protection. The Kentucky Association of Health Care Facilities (KAHCF) represents nursing facilities and personal care facilities across the state of Kentucky. We are in support of our state's desire to institute a system of employee background checks to include checks of all pertinent registry sources in all States in which a potential employee has lived, to check State and Federal criminal records, and to use the FBI fingerprinting system in order to ensure that employees hired to serve the vulnerable long term care populations do not have criminal or registry past histories that make them unfit to be hired by the facilities in Kentucky. Our association is dedicated to assisting member facilities to achieve quality services and promote resident protection practices in any manner possible. This National effort undertaken by the Kentucky Office of Inspector General is one in that receives our full support.

Sincerely,

Ruby Jo Lubarsky

President/ KAHCF

August 5, 2010

Debra Spears  
Centers for Medicare & Medicaid Services  
CMCS/SCG/DNH, Mail Stop: S2-12-25  
7500 Security Boulevard  
Baltimore, MD 21244-1850

Re: Support Letter for Kentucky's National and State Background Checks for Direct Patient  
Access Employees of Long Term Care Facilities and Providers

Dear Ms. Spears:

The Kentucky Home Health Association is the state's primary trade association for home health care and non-medical in-home care providers. We are pleased to offer our support to Kentucky's application for Kentucky's Nationwide Program for National and State Background Checks. As providers and advocates for high quality care for persons who desire to remain in their homes, we are committed to ensuring the safety and well being of clients. A key factor in doing that is to ensure a reliable, competent and appropriate work force.

Pre-employment criminal background checks are now a part of the licensure and certification requirements for home health care provider and we are interested in any effort to improve those processes. We look forward to involvement in the project and expect that the results will be valuable in directing future efforts to ensure the safety of Kentucky's frail and disabled population by

Sincerely,

Karen P. Hinkle, MSW  
Executive Director

Cc: KHHA Board of Directors



## KENTUCKY STATE POLICE

**Steven L. Beshear**  
Governor

919 Versailles Road  
Frankfort, Kentucky 40601  
[www.kentuckystatepolice.org](http://www.kentuckystatepolice.org)

**J. Michael Brown**  
Secretary

August 9, 2010

**Rodney Brewer**  
Commissioner

Debra Spears  
Centers for Medicare & Medicaid Services  
CMSC/SCG/DNH, Mail Stop: S2-12-25  
7500 Security Boulevard  
Baltimore, MD 21244-1850

Dear Ms. Spears:

I am writing on behalf of the Kentucky State Police, in support of the application by the Cabinet for Health and Family Services (CHFS) for a Department for Health and Human Services grant entitled *Nationwide Program for National and State Background Checks for Direct Patient Access Employees of Long Term Care Facilities and Providers*.

Kentucky, like many other states, is dealing with the abuse and neglect of patients in long term care facilities, residential care facilities, assisted living facilities and other patient care programs. Unfortunately, in many cases, the perpetrators are in fact staff members employed by these facilities. The new program proposed by CHFS would result in each provider employee having a comprehensive state and national background check. This background check will identify prospective employees with criminal histories that make them unsuitable for employment in patient care facilities. While not a full proof solution to this problem, it would be a great leap forward in protecting some of Kentucky's most vulnerable citizens.

The grant funding will help Kentucky address a significant need to efficiently utilize state and national background check information to screen job applicants and help prevent hiring of employees who may place patients at risk in these facilities. Please accept this letter as a statement of my complete support for this grant application and the program proposed by the Cabinet for Health and Family Services. Thank you for your consideration of this request.

Sincerely,

*Lt. Col. Brad Bates*

Lt. Colonel Brad Bates  
Director-Technical Services Division  
Kentucky State Police





**EDUCATION and WORKFORCE DEVELOPMENT CABINET  
OFFICE OF EMPLOYMENT AND TRAINING**

**Steven L. Beshear**  
Governor

Executive Director's Office  
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**Joseph U. Meyer**  
Secretary

**William Monterosso**  
Executive Director

August 6, 2010

Debra Spears  
Centers for Medicare & Medicaid Services  
CMCS/SCG/DNH, Mail Stop: S2-12-25  
7500 Security Boulevard  
Baltimore, MD 21244-1850

Re: Support Letter for Kentucky's National and State Background Checks for Direct Patient Access  
Employees of Long Term Care Facilities and Providers

Dear Ms. Spears:

The Office of Employment and Training (OET) within Kentucky's Department of Workforce Investment is in full support of Kentucky's Nationwide Program for National and State Background Checks. OET works to ensure a trained and skilled workforce through partnerships with Workforce Investment Areas throughout the state to assist citizens in finding fulltime and meaningful employment. OET maintains the Commonwealth's job bank (e3) that assists applicants in applying for positions of employment.

Kentucky's proposed national and state background checks initiative is aligned with the vision of a trained, competent and qualified workforce throughout the state. Specific to the provision of continuing education, OET facilitates potential applicants in job searches and skills assessments to better prepare them for employment. As such, we look forward to participating as a key partner both during and after grant implementation and offer full support of the proposed initiative.

Sincerely,

*William Monterosso* / *by Linda A. Pruitt*  
William Monterosso / Assistant Director  
Executive Director

## **Kentucky's National and State Background Checks**

### **Program Narrative**

#### **A. Current System**

##### **A.1. Description of Current System:**

(a) Nurse Aide Registry: The Cabinet for Health and Family Services (herein referred to as "Cabinet") maintains an abuse registry which includes a list of nurse aides and home health aides who have received a final order issued by the Cabinet Secretary that substantiates a finding of resident or patient abuse, neglect, or misappropriation of a resident's or patient's property. The registry also includes a list of nurse aides and home health aides who have failed to request an appeal of a preliminary finding of resident or patient neglect, abuse, or misappropriation of a resident's or patient's property. A nurse aide or home health aide whose name was added to the registry after January 1, 1995 may petition the Cabinet in writing for review of a finding of neglect after the passage of one (1) year from the date that the nurse aide or home health aide's name was placed on the registry. Upon receipt of a written request for removal from the registry, the Cabinet secretary is required to make a determination based on whether the employment and personal history of the nurse aide or home health aide reflects a pattern of abusive behavior, neglect or misappropriation of property, and whether the incident of neglect involved in the finding that resulted in the addition of the nurse aide or home health aide to the registry was likely a singular occurrence. If the Cabinet does not remove the nurse aide or home health aide's name from the abuse registry upon consideration of the grounds stated in the petition for review, the nurse aide or home health aide may request a hearing within thirty (30) days of notification of the Cabinet's decision.

According to state law (KRS 216.532), a "long-term care facility" is prohibited from

being operated by, or employing any person listed on the nurse aide and home health aide abuse registry. State law (KRS 216.510) defines a “long-term care facility” as a family care home, personal care home, intermediate care facility, skilled-nursing facility, nursing facility, nursing home, or intermediate care facility for individuals with mental retardation and developmental disabilities. State law (KRS 216.937) also prohibits home health agencies from being operated by, or employing any person who is listed on the nurse aide and home health aide abuse registry.

A check of the nurse aide and home health aide abuse registry must be conducted prior to employment in a long-term care facility or home health agency. The Kentucky Board of Nursing (KBN) maintains the nurse aide abuse registry’s database. Queries to validate the registry status of nurse aides may be performed on the KBN website: <http://kbn.ky.gov/knar/>, or by requesting a registry status by mail or fax from KBN.

(b) Other Background Check System: State law (KRS 216.789) prohibits any long-term care facility (family care home, personal care home, intermediate care facility, skilled-nursing facility, nursing facility, nursing home, and intermediate care facility for individuals with mental retardation and developmental disabilities), nursing pool providing staff to a nursing facility, or assisted-living community from knowingly employing a person for the provision of *direct services* to a resident or client if that person has been convicted of a felony offense related to theft; abuse or sale of illegal drugs; abuse, neglect, or exploitation of an adult; or a sexual crime. Additionally, the term “direct services” as used above and in KRS 216.789 is defined by KRS 216.785 as “personal or group interaction between the employee and the nursing facility resident or the senior citizen.” Therefore, the Office of Inspector General (OIG) has advised that any facility employee who comes into contact with a resident must submit to an in-state criminal record check conducted by the Kentucky State Police or the Administrative Office of the Courts.

Additionally, state law (KRS 216.533) prohibits a long-term care facility owned, managed, or operated by the Cabinet's Department for Mental Health and Mental Retardation Services (recently renamed the Department for Behavioral Health, Developmental and Intellectual Disabilities) from knowingly employing any person who has been convicted of a felony offense under: (a) KRS Chapter 209 (Protection of Adults); (b) KRS Chapter 218A (Controlled Substances); (c) KRS 507.020, 507.030, and 507.040 (Criminal Homicide); (d) KRS Chapter 509 (Kidnapping and Related Offenses); (e) KRS Chapter 510 (Sexual Offenses); (f) KRS Chapter 511 (Burglary and Related Offenses); (g) KRS Chapter 513 (Arson and Related Offenses); (h) KRS 514.030 (Theft and Related Offenses); (i) KRS Chapter 530 (Family Offenses); (j) KRS Chapter 531 (Pornography); (k) KRS 508.010, 508.020, 508.030, and 508.032 (Assault and Related Offenses); (l) A criminal statute of the United States or another state similar to paragraphs (a) to (k); or (m) A violation of the uniform code of military justice or military regulation similar to paragraphs (a) to (k) of this subsection which has caused the person to be discharged from the Armed Forces of the United States.

(c) Management: The Kentucky Board of Nursing maintains the nurse aide and home health aide abuse registry. The Kentucky State Police and the Administrative Office of the Courts are the two (2) agencies within Kentucky authorized to conduct in-state criminal records checks. As part of the survey process, State survey staff within the OIG monitor for compliance with the background checks described in A.1.(a) and A.1.(b) of this section by verifying whether health facilities licensed by the OIG have properly secured pre-employment nurse aide and home health aide abuse registry information, and criminal history information on their staff. The Cabinet's Department for Aging and Independent Living is responsible for verifying whether assisted living communities have properly secured criminal history information on assisted living

staff.

(d) Pertinent Definitions: An individual is disqualified for employment in, or operating a long-term care facility or home health agency if the individual's name appears on the nurse aide and home health aide abuse registry. A nurse aide or home health aide is placed on the registry if the Cabinet substantiates resident or patient "neglect", "abuse", or "misappropriation of a resident's or patient's property". "Neglect" is defined by the State's nurse aide and home health aide abuse registry regulation (906 KAR 1:100) as "failure to provide goods or services that are necessary to avoid physical harm, mental anguish, or mental illness, but does not include a failure caused by factors beyond the control of the individual." "Abuse" is defined by 906 KAR 1:100 as "the willful infliction of injury, unreasonable confinement, intimidation, or punishment with resulting physical harm, pain, or mental anguish and includes physical abuse, verbal abuse, sexual abuse, and mental abuse." "Misappropriation of a resident's or patient's property" is defined by 906 KAR 1:100 as "the deliberate misplacement, exploitation, or wrongful, temporary or permanent use, of a resident's or patient's belongings or money without the resident's or patient's consent."

(e) Fee Schedule: There is no charge for the online query or the mail/fax request to validate the status of nurse aides or home health aides via the abuse registry maintained by the Kentucky Board of Nursing. The cost of an in-state criminal records check conducted by the Kentucky State Police (KSP) is \$20.00. The form used to request a KSP criminal records check for employment may be downloaded from the following website:

[http://www.kentuckystatepolice.org/background\\_check\\_forms.htm](http://www.kentuckystatepolice.org/background_check_forms.htm). The charge for an in-state criminal records check conducted by the Administrative Office of the Courts using the CourtNet system is \$15.00. To request a criminal records check from the Administrative Office of the

Courts, individuals may make such requests in-person, in writing, or submit a request through the AOCFastCheck program at the following website:

<http://courts.ky.gov/aoc/courtservices/recordsandstatistics/records.htm>. Currently, health facilities are expected to cover the charges for in-state criminal record checks for their employees.

(f) Authority: The procedures for placing a nurse aide or home health aide on the abuse registry, and the administrative appeals process which provides due process to an aide placed on the registry, are established in the State's regulation entitled, 906 KAR 1:100, Nurse aide abuse registry, home health aide abuse registry, and hearing procedures. A copy of 906 KAR 1:100 may be downloaded at the following link: <http://www.lrc.ky.gov/kar/906/001/100.htm>. The State's laws related to management of the nurse aide and home health aide abuse registry are codified under KRS 216.935 through KRS 216.939, and may be downloaded from the following link: <http://www.lrc.ky.gov/KRS/216-00/CHAPTER.HTM>. KRS 216.532 is the state law that prohibits a long-term care facility from being operated by, or employing a person on the nurse aide and home health aide abuse registry. KRS 216.532 may be downloaded from the following link: <http://www.lrc.ky.gov/KRS/216-00/532.PDF>. KRS 216.937 is the state law that prohibits home health agency from being operated by, or employing a person on the nurse aide and home health aide abuse registry. KRS 216.537 may be downloaded from the following link: <http://www.lrc.ky.gov/KRS/216-00/937.PDF>. KRS 216.789 is the state law that requires direct care staff in long-term care facilities, nursing pools, and assisted living facilities to submit to an in-state criminal records check, and further identifies the felony offenses which automatically disqualify applicants from employment. KRS 216.789 may be downloaded from the following link: <http://www.lrc.ky.gov/KRS/216-00/789.PDF>. KRS 216.533 is the state law

that requires staff in long-term care facilities owned, managed, or operated by the Cabinet's Department for Mental Health and Mental Retardation Services (recently renamed the Department for Behavioral Health, Developmental and Intellectual Disabilities) to submit to a criminal background check, and further identifies the felony offenses which automatically disqualify applicants from employment. KRS 216.533 may be downloaded from the following link: <http://www.lrc.ky.gov/KRS/216-00/533.PDF>.

(g) Evaluations and Research: The Cabinet is not aware of any evaluations or research conducted on the State's background check systems.

(h) Rap-back System: At this time, Kentucky does not have a rap-back system in place for State law enforcement to immediately notify the Cabinet of any criminal conviction that occurs following an individual's pre-employment background check.

(i) Additional Information: Not applicable.

A.2. Issues and Opportunities: The current system is a good method for ensuring that individuals are denied employment for jobs in which they would have direct access to long-term care facility residents and patients of designated health care providers if convicted in Kentucky of those criminal offenses identified in A.1.(b), or placed on Kentucky's nurse aide and home health aide abuse registry. However, in an effort to enhance protective measures intended to reduce the potential for abuse, neglect, or exploitation of residents or patients, funding secured by this grant proposal would improve the intensity of checking mechanisms by adding FBI checks where only State checks are currently performed. The grant will also allow for the expansion of providers and employee coverage, thereby improving applicant access and convenience.

## **B. Proposed Program for this Solicitation**

**B.1. Brief Synopsis:** Under the proposed system, the requirement for fingerprint-based

background checks will apply to direct care staff in long-term care facilities as defined by KRS 216.789, home health agencies, personal services agencies, hospices, hospitals with swing beds, assisted living communities, intermediate care facilities for individuals with mental retardation or developmental disabilities, and psychiatric hospitals. Initially, facilities will participate on a voluntary basis until additional state authority is obtained which will mandate participation in the program. The OIG intends to use live scan equipment and technology to collect fingerprints at easily accessible sites throughout the state. The OIG also intends to explore the possibility of using monies secured from the grant, agency funds or civil monetary penalties not used as match, to cover the cost of the fingerprint checks in order to avoid charges to applicants and providers during the grant period. The OIG further anticipates hiring additional staff to manage the program, provide technical assistance to facilities and applicants, make fitness determinations, and communicate/collaborate with partner agencies which will have a role in implementation of the program. Implementation of the national background check program is consistent with the OIG's vision of enhancing protective measures intended to promote the health, safety, and welfare of long-term care residents, assisted living community residents, patients of designated health care providers, and clients of personal services agencies.

**B.2. Single State Agency:** The Cabinet's OIG will be the State agency responsible for implementation of the national background check program. The program will be staffed with a full time Program Director and additional program support staff needed to implement the program. The Program Director and program support staff will primarily be responsible for overseeing the coordination of State and national criminal history checks requested by long-term care facilities and designated providers, partnering with the Cabinet's Office of Administrative and Technology Services and the Kentucky State Police to ensure that privacy and



security safeguards are in place to protect all information obtained from the State and national criminal record checks, making fitness determinations, and reporting the existence of applicable convictions to the database established under 42 U.S.C. 1320a-7e. See Appendix A for organizational chart.

### B.3. Provider Types.

	Facility or Provider Type	No. of Providers Statewide	Re-quired Yes/No	Phase-In Plan Dates		Explain
				Start Date* (Mo.+ Year)	Completely In, Statewide	
<b>A. Group Living Environments</b>	A.1. Skilled Nursing Facilities	286	<b>Yes</b>	July 15, 2011	*No later than 10/1/11 provided the enabling legislative mandate is enacted.	*Participation will be voluntary until additional state authority is obtained via legislative mandate. Passage of legislation during the 2011 Session of the Kentucky General Assembly to require full participation would be effective July 15, 2011. Requiring full compliance is dependent on passage of enabling legislation.
	A.2. long	7	<b>Yes</b>	July 15,	*No later	See

	Term Care Hospitals, Swing Beds			2011	than 10/1/11 provided the enabling legislative mandate is enacted.	comments above.
	A.3.ICFs/MRs	12	<b>Yes</b>	July 15, 2011	*No later than 10/1/11 provided the enabling legislative mandate is enacted.	See comments above.
	A.4. Psychiatric Hospitals					
	A.5. hospices	5	<b>Yes</b>	October 1, 2011	*No later than 10/1/11 provided the enabling legislative mandate is enacted.	See comments above.
	A.6. Assisted Living Facilities	101	<b>Yes</b>	October 1, 2011	*No later than 10/1/11 provided the enabling legislative mandate is enacted.	See comments above.
	A.7. HCBS or PACE Group Homes Over 8 Beds*	NA	<b>Yes</b>	July 15, 2011	*No later than 10/1/11 provided the enabling legislative mandate is enacted.	See comments above.
	A.8. HCBS or PACE Group Living – Other (Define)*					
	A.9. Other Living Arrangements (Define) –	292	<b>Yes</b>	October 1, 2011	*No later than 10/1/11 provided the enabling	See comments above.

	Family Care Homes, Personal Care Homes, Alzheimer's Facilities, Intermediate Care Facilities, and Nursing Homes				legislative mandate is enacted.	
<b>B. Community Programs</b>	B.1. home Health Agencies	109	<b>Yes</b>	October 1, 2011	*No later than 10/1/11 provided the enabling legislative mandate is enacted.	See comments above.
	B.2. Personal Care Agencies – Medicaid State Plan	114	<b>Yes</b>	October 1, 2011	*No later than 10/1/11 provided the enabling legislative mandate is enacted.	See comments above.
	B.3. Personal Care Agencies – HCBS-W or S. 1115					
	B.4. Self-Directed Personal Care		<b>On** Request</b>			
	B.5. Treatment Foster Homes for Children					
	B.6. Case management Agencies – Medicaid					
	B.7. Hospices	24	<b>Yes</b>	October 1, 2011	*No later than 10/1/11 provided the enabling legislative	See comments above.

					mandate is enacted.	
	B.8. Other - Day Health	110	Yes	October 1, 2011	*No later than 10/1/11 provided the enabling legislative mandate is enacted.	See comments above.

**B.4 Employment Agencies:** The Cabinet is considering the use of local employment agencies within the Kentucky Department of Workforce Investment, local law enforcement agencies, and county clerk's offices as potential locations for the collection of fingerprints.

**B.5. State Authority:** Additional authority via state law will be needed. Therefore, long-term care facilities and designated health care providers could participate in Kentucky's national background check program on a voluntary basis until state authority is obtained. To secure authority necessary to fully implement the program via state law, the Cabinet will prepare "agency legislation" that will amend existing, or create new state law requiring participation by long-term care facilities and designated health care providers in the national background check program, provide protection for applicants against misuse of background check information, and protect providers against liability. The Cabinet's agency legislation will be presented to the Governor's Office by November 1, 2010, and a sponsor for the legislation will be secured by January 1, 2011. The legislation would be heard during the 2011 Session of the Kentucky General Assembly; legislation passed during the 2011 session would be effective as state law in July 2011.

**B.6. The Four Primary Processes.**

- a. Collection of Fingerprints: See i. through iv. for a description.

i. Technology: The Cabinet intends to use live scan technology to collect fingerprints.

The Cabinet will phase in such technology by purchasing live scan equipment and software.

ii. Collection Agencies: The Cabinet is considering several options. Individuals authorized to collect the fingerprints may include Cabinet staff in local offices, local employment agency staff within the Kentucky Department of Workforce Investment, law enforcement agencies, county clerk's offices, or vendors with expertise in collecting fingerprints. With the involvement of key stakeholders, the Cabinet will continue exploring the best option.

iii. Locations: Collection of the fingerprints may occur in the Cabinet's local offices, the Department of Workforce Investment's local employment agency offices, local police departments, Kentucky State Police posts, county clerk's offices, or facilities. The Cabinet anticipates no fewer than 16 collection sites, and will explore the possibility of having a collection site in each of the State's 120 counties. Applicants typically will travel no farther than 60 miles.

iv. Transmittal Methods: Fingerprints collected via live scan will be transmitted by the agency conducting the criminal history check through the Kentucky State Police, the only sanctioned central agency authorized to retrieve criminal history information from the FBI.

b. Records Check: See i. through vii. for a description.

i. Databases Checked: The nurse aide and home health aide abuse registry will be checked as described in A.1.(a). The Cabinet will also require that applicants submit to a check of applicable exclusion lists, and any existing registry maintained by an applicable licensing board, e.g. the Kentucky Board of Medical Licensure, Kentucky Board of Nursing, etc.

ii. State Checking: Consistent with the current process for employment, applicants will be required to submit to an in-state criminal record check. Applicants for whom no disqualifying

information has been found upon completion of the registry checks and applicable exclusion lists will be required to submit to a fingerprint check. The Division of Technical Services within the Kentucky State Police (KSP) is responsible for processing all fingerprint supported criminal records checks in Kentucky. The fingerprint supported State check of KSP's criminal information and the fingerprint supported FBI check would occur simultaneously. Upon collection, the prints will be matched against the State's Automated Fingerprint Identification System (AFIS) database. KSP's Division of Technical Services accepts fingerprints in digital or paper form. Although Kentucky plans to use live scan equipment and technology to collect fingerprints, if hard copy prints are used for any reason (e.g. remoteness of location or period prior to acquiring live scan equipment), the hard copy prints will be confirmed for quality and digitized before matching against the State's AFIS database. The digital prints will be processed as received. All criminal history information obtained from the FBI will be sent to the KSP and returned to the Cabinet via the U.S. Postal Service. Estimated time of processing is ten (10) days from collection of the prints.

iii. Checking with FBI: All fingerprints collected will be digitized by KSP (if necessary), then submitted via the IAFIS network. All results will be returned to the KSP. KSP will mail the results to the Cabinet.

iv. Checking Sequences: An applicant will submit to a check of the nurse aide and home health aide abuse registry, and any other applicable exclusion list or registry as the first step in determining whether any disqualifying information exists. If the registry checks do not reveal any disqualifying information, the fingerprint supported State and FBI check would occur simultaneously following the registry checks.

v. Elimination of Unnecessary Checks: If any of the records are returned which contain

disqualifying information, the subsequent records check requests will be cancelled. The OIG will send a red light/green light message to the requesting facility via electronic means if available or by U.S. Postal Service. The OIG will also send the red light/green light communication to the applicant by U.S. Postal Service. The subsequent records check requests will be cancelled/terminated via email with the KSP.

Additionally, the OIG is considering the possibility of creating a web-based application under which facilities could query to determine whether the OIG had previously made a fitness determination in which an individual was not cleared for employment based on the results of a previously conducted fingerprint check. The web-based application could also be used to query whether an applicant had previously self-disclosed disqualifying information. Using this type of web-based application to search a blinded “no-hire” list, a fingerprint check would not be needed if the individual’s name and other identifier such as date of birth are retrieved during the query.

vi. Costs and Fees: Fingerprint supported criminal records from KSP are currently available for \$20.00. Fingerprint supported criminal records from the FBI are currently available for \$19.25. At this time the Cabinet has not finalized any plans on cost distribution.

vii. Lifespan of Checks: Fingerprint supported background checks with no disqualifying information will remain valid for four years. This four year validation will only be effective once an operational rap-back system is in place. Until then, the fingerprint supported background check with no disqualifying information would only be valid for the current employer.

c. Rap-Back System: An existing rap-back system is not in place. The OIG intends to collaborate with the Cabinet’s Office of Administrative and Technology Services, the Kentucky State Police, and other designated entities regarding the rap-back system.

d. Fitness Determination: See i. through vi. for a description.

i. Definition: The Cabinet anticipates that the disqualifying criteria currently in state law under KRS 216.785 and KRS 216.789, and in state regulation 906 KAR 1:100 will be used to make the fitness determination under the State's national criminal background check program.

ii. Agency: The OIG will be responsible for making the fitness determination.

iii. Categories of State Communication: State agency staff will receive training on how to determine whether an individual's criminal history information contains any offense that would automatically disqualify the individual from employment. Upon making the fitness determination, the State Agency would notify the requesting provider with a yes/no communication.

iv. Timeliness: The Cabinet anticipates that the fitness determination will be made within 45 days from the date that the criminal history information is received.

v. Missing Dispositions: The applicant will be responsible for providing disposition information for evaluation. If none is received, the applicant will be disqualified.

vi. Provisional Employment: The Cabinet will allow provisional employment, not to exceed 60 days from the date of initial hire. Provisionally employed facility staff must receive direct supervision, not have any unsupervised direct contact with residents/patients, and must not have any access to, or control over, medications, financial resources, or property of a person under care.

e. Integrity: See i. through vi. for a description.

i. Error Checks: The internal process will not be completely passive until the KSP and FBI are able to return the background checks electronically. Once received, the records will be analyzed by the OIG and deemed either green for clearance to hire or red for disqualified. The analysis of the record will include checking personal identifiers on reports received, confirming



the reported convictions match the statutory definitions, confirming the determination is sent to the correct provider, and confirming the correct information is entered into the OIG database.

Determinations resulting in disqualification will undergo a second level of review for confirmation. This review will be completed by OIG's program director. Any questions on disqualifiers will be resolved by legally trained personnel.

ii. Appeals: An applicant would be able to appeal the accuracy of the conviction information or assert that an error had been made by the OIG in its fitness determination. Appeals must be made in writing to the Cabinet within 30 days of receipt of the fitness determination indicating that the applicant is unfit to work. Upon receipt of a request for hearing, an independent hearing officer will preside over the matter appealed. The hearing officer will notify the appellant of the scheduled hearing and the right to have counsel present; conduct the administrative hearing; issue proposed findings of fact, conclusions of law, and a recommended decision within 60 days after the last day of testimony or the adjournment of the hearing, whichever occurs first; and include a finding that the fitness determination is valid or not valid based on the law and evidence of record. Applicants who disagree with the hearing officer's proposed findings of fact, conclusions of law, and recommended decision may tender written exceptions that shall be filed with the Cabinet Secretary within 15 days from the date the proposed findings of fact, conclusions of law, and recommended decision was mailed; and specify all facts and conclusions of law that are in dispute. The Cabinet Secretary shall issue the final decision of the Cabinet within 15 calendar days of receipt of exceptions if exceptions are filed, or within 15 calendar days of the date exceptions were due if exceptions are not filed. An applicant who has exhausted administrative remedies may appeal the final order to the circuit court by filing a petition for review within 30 calendar days after the final order of the Cabinet is

mailed or delivered by personal service.

iii. Rehabilitation: Kentucky's current system of background checks does not consider rehabilitation of individuals with previous convictions for disqualifying behaviors. The State does not anticipate considering rehabilitation under the national background check program.

iv. Compliance monitoring: State agency survey staff within the OIG will monitor compliance during routine surveys after additional state authority is obtained to mandate participation in the national criminal background check program.

v. Enforcement and Feedback: Penalties for noncompliance with the State's requirements for background checks will be stipulated in the revised state laws. Providers will have input during the enactment of the statute revisions and promulgation of any revisions to state regulations. When necessary, facilities will be cited for noncompliance with requirements. Upon receipt of a statement of deficiencies, facilities may provide feedback in their written plans of correction. Facilities that fail to comply with the background check requirements may be subject to financial penalties.

vi. Unintended Negative Effects: The Cabinet intends to make the location of fingerprint collection sites easily accessible, reduce stigma by requiring all staff with the potential for direct contact submit to the checks, promote the value of a positive finding on the background checks, and attempt to avoid costs to the applicant. To help sustain the program and subsidize the background checks, the Cabinet is considering the possibility of requiring facilities to pay a flat rate based on number of beds.

**7. Education and Technical Assistance Plan:** The OIG will develop and implement a comprehensive education and technical assistance plan. This plan will include conducting focus groups with key members of the provider community to identify communication and training

needs, development of education materials, implementation of a dedicated website, and identification of Cabinet contacts for program information and questions.

Focus Groups – The OIG will identify a representative group of stakeholders and conduct one or more focus group sessions to obtain input on a communications plan for the program, identify training needs for provider personnel, obtain recommendations for development of training programs and materials, and obtain recommendations on provision of ongoing technical assistance for the program.

Education Materials – The OIG will develop two program brochures. One will provide information for the provider community and one will provide information for potential employees. The information sheets will be available in hardcopy format or in an electronic format that can be downloaded from the OIG's website.

Website – The OIG will create a publically accessible website dedicated to providing information about the program. The website will be developed as part of the OIG's existing website design and structure, and at a minimum will contain the following information:

- General program information including the need for the program, and how the program operates.
- Electronic versions of the information sheets for the provider community and prospective employees.
- Frequently Asked Questions (FAQs) for providers and potential employees.
- Digital fingerprint scan locations, hours of operation, and directions.
- Contact information (phone and email) for providers and potential employees to obtain answers to questions and additional information regarding the program.
- Contact information for providers to obtain technical assistance for the program.

**8. Management:** The Cabinet Secretary will have overall responsibility for management and operation of Kentucky's national background check program. Within the Cabinet, the OIG will be responsible for implementing and operating the program. Responsibilities and qualifications for key staff members and participating organizations are identified below. Appendix A contains an organization chart documenting the relationships among the major stakeholders in the program.

The Inspector General will have direct executive management responsibility for implementing and operating the national background check program. The Inspector General is currently responsible for providing regulatory services for the licensing of health care facilities, day care facilities, and child caring agencies in the commonwealth.

The Division of Technical Services within the Kentucky State Police will partner with the Cabinet and be responsible for processing all fingerprint supported criminal records checks under this program.

The Cabinet will establish a new program office within the OIG. The program office will be staffed with a full time Program Director and additional Cabinet staff needed to fulfill the responsibilities of the program office. The Program Director will oversee the program office and serve as liaison to the Administrative Hearings Branch responsible for independent review of any appeal requests. Program office staff will be responsible for reviewing the results of the background checks, making fitness determinations, and notifying the requesting provider facility and the potential employee of the decision. Staff will further be responsible for program support including focus groups, training development and delivery, operation of the program website, and providing ongoing support services to the provider community and to potential employees.

Program office staff will also be responsible for coordinating technical support to the digital fingerprint scan facilities.

**9. Partnerships and Collaboration:** Successful implementation of Kentucky's national background check program will require communication and collaboration between the OIG and the Kentucky State Police, local law enforcement entities, the Cabinet's Department for Aging and Independent Living, Kentucky Department of Workforce Investment, providers and the trade associations that represent them, advocacy groups representing people of any age who receive long-term care services, and any other entity with a legitimate interest or role in this initiative. Collaborative efforts will be achieved through meetings, conference calls, written communications, workgroups, and any other method the Cabinet's finds is an effective means of partnering with affected entities.

**10. Evaluation:** Kentucky agrees to participate in the national evaluation, including the collection and transmission of data requested by CMS throughout the duration of the program.

### Kentucky's Budget Narrative/Justification

Object Class Category	Federal Funds	Non-Federal Cash	Justification
<b>Management Staffing</b>	\$58,000	\$19,300	Lead Point of Contact = 25% @ \$49,140/yr =12,300 Program Director = 100% @ \$65,000/yr =65,000 Total:\$77,300
<b>Other Staffing</b>	\$26,200	\$8,800	Program Support=100%@\$35,000/yr=35,000 Total=\$35,000
<b>Fringe Benefits</b>	\$34,700	\$11,600	Fringe (27%) FICA (7.65%) Health (5%) Retirement (4.9%) Life (1%)  For Lead Point of Contact \$5,200 For Program Director\$26,700 For Program Support\$14,400 Total:\$46,300
<b>Travel</b>	\$10,900	\$3,700	Local Travel: X TA site visits Mileage: 20,000 @.42 a mile = \$8,400 Lodging:10 days @ \$100 = \$1,000 Per Diem:10 days @ \$30 a day = \$300 Total: \$9,700  Travel to National CMS Background Check conference (TBD) Airfare: 1RT x 3 staff @ \$500 \$1,500 Lodging 3 days x 3 staff @ \$280/day \$2,520 Per Diem 4 days (allow travel day) x 3 staff @ \$40/day \$ 480 Parking/Miscellaneous: 3 days x 3 staff @ \$40/day <u>\$ 360</u> Total: \$4,860  Total: \$14,600
<b>Collection of Fingerprints</b>	\$472,000	\$156,800	Cost for the collection of fingerprints by separate agency. Average 15 minutes per check. 15x 39,500 checks anticipated annually, divided by 60 = 9,875 hours of work. This time would be compensated at \$31.75 an hour (includes fringe rate of 27%)
<b>Fees for Checking Registries</b>	\$0	\$0	No cost
<b>Fees for Checking against State</b>	\$0	\$0	Already Paid by the facilities

### Kentucky's Budget Narrative/Justification

Object Class Category	Federal Funds	Non-Federal Cash	Justification
<b>criminal records repository</b>			
<b>Fees for Checking of Fingerprints against FBI criminal records repository (if necessary)</b>	\$1,185,000	\$395,000	Estimating \$20.00 per 10 digit scan for 39,500 scans annually
<b>Fees paid to other Agencies beyond those identified above (e.g., to obtain missing dispositions or other necessary information)</b>	\$0	\$0	
<b>Information Systems Software</b>	\$800	\$300	Data base software to store and manage background check information@\$550 each
<b>Information Systems Hardware</b>	\$750,000	\$250,000	50, 10-digit live scan devices @ \$24,000 each. =\$1,200,000 2 desktop computers @750 each. =\$1,500 (\$201,500 additional agency cost for live scan devices beyond 25%)
<b>Supplies</b>	\$12,000	\$4,000	Misc. supplies including Fingerprint live scan cleaning items such as alcohol wipes.
<b>Other Indirect Charges (please specify)</b>	\$450,000	\$150,000	Indirect Cost Rate Agreement of 15% (copy enclosed) <span style="float: right;"><u>\$600,000</u></span> Total: <span style="float: right;">\$600,000</span>
<b>Prevention Programs (optional)</b>			
<b>TOTAL</b>	\$2,999,600	\$999,500	Additional agency cost of \$201,100 for additional equipment

## **C. Financing Plan**

**1. Systems Infrastructure:** Kentucky anticipates using live scan equipment to collect fingerprints. Live scan technology is an inkless electronic system designed to capture an individual's fingerprint images and demographic data (name, sex, race, date of birth, etc.) in a digitized format that can be transmitted to the state central repository (Kentucky State Police) for processing. The data will be forwarded to the Kentucky State Police over a Virtual Private Network and then processed by the KSP's Automated Fingerprint Identification System.

**2. Finance Narrative:** Although the Cabinet has not finalized plans for fee distribution, the fingerprint supported criminal record check from the state is currently \$20.00, and the fingerprint supported criminal record check from the FBI is \$19.25. Until expiration of the grant period, the Cabinet is considering the possibility of using monies secured from the grant, agency funds or civil monetary penalties not used as match, to cover the cost of the fingerprint checks in order to avoid charges to applicants and providers during the initial implementation phase. Upon expiration of the grant period, the fingerprint check fee may be paid by the applicant or the provider, and will be collected by the OIG. The Cabinet has not made a final decision regarding whether the applicant and provider will share in paying the fee for the fingerprint check after the grant period ends. The Cabinet has also not made a final decision regarding whether any portion of the fee will be returned in the event that there is no disqualifying information and the applicant is hired.

**3. Budget Forms for Expenditures:** See attachment entitled Kentucky's Budget Narrative/Justification.



#### 4. Budget Chart for Non-Federal Match:

**Kentucky's Chart for Non-Federal Funds Match – FY 2010-2012**

<b>1</b>	<b>Source of Non-Federal Funds</b>	<b>Expected 2 – Yr Amount 2010-2012</b>	<b>Summary – Administration and Methods by Which Funds will be Raised</b>
<b>2</b>	State Funds (without provider taxes)		
<b>3</b>	Provider taxes	<b>200,000</b>	<b>These funds are currently unobligated and available.</b>
<b>4</b>	Certification fees paid by applicants		
<b>5</b>	Donations		
<b>6</b>	Local Funds		
<b>7</b>	Other - CMP	<b>800,000</b>	<b>These funds are currently unobligated and available.</b>
<b>TOTAL</b>			<b>1,000,000</b>

**5. Narrative for Non-Federal Match:** The OIG will use Civil Monetary Penalty funds and Agency funds that are obtained through health care facility state licensure fees. These funds are state funds and are not obligated to any other federal fund or required match. These funds meet the requirements of 42 CFR 433 subpart B which permits the use of licensing and certification fees and defines them as health care related taxes. The Civil Monetary Penalty funds will be used only in the first year and to the amount proportionate to those long-term care facilities that participate in this program.

**6. Relationship to Other Funding:** OIG has no plans to utilize any other agency funds other than those identified above and that the funds already identified are not tied to any other funding source or federal fund.

# Kentucky's Nationwide Program for National and State Background Checks Work Plan

<b>Goals:</b> To enhance protective measures intended to reduce the potential for abuse, neglect, or exploitation of residents or patients by adding FBI checks where only State checks are currently done.																											
<b>Measurable Outcomes:</b> Increase in the number of disqualifications based on FBI checks.																											
Major Action	Specific Tasks	Lead Person	Timeline (Month of Grant Period)																								Products
			1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	
1. Establish collection sites and secure agreements with agencies selected to collect fingerprints.	Collaborate with, and establish agreements with agencies/entities that will be responsible for collecting fingerprints.	Program Director and Cabinet Budget Staff	x	x	x																						Memorandum of Agreement
2. Inform/educate providers of the new program.	Convene focus groups; meet with trade associations representing the facilities; develop educational materials; publicize via OIG's website, newsletters, and mass mailings.	Program Director								x	x	x	x														Training Curriculum/ Materials
3. Procure live scan equipment and software.	Develop request for proposal.	Program Director	x	x	x	x	x	x																			Hardware and Software
4. Train individuals designated to collect fingerprints.	Collaborate with vendor on training program, select training sites.	Program Director/Equipment Vendor						x	x	x	x	x	x	x	x	x	x										Training Curriculum/ Materials

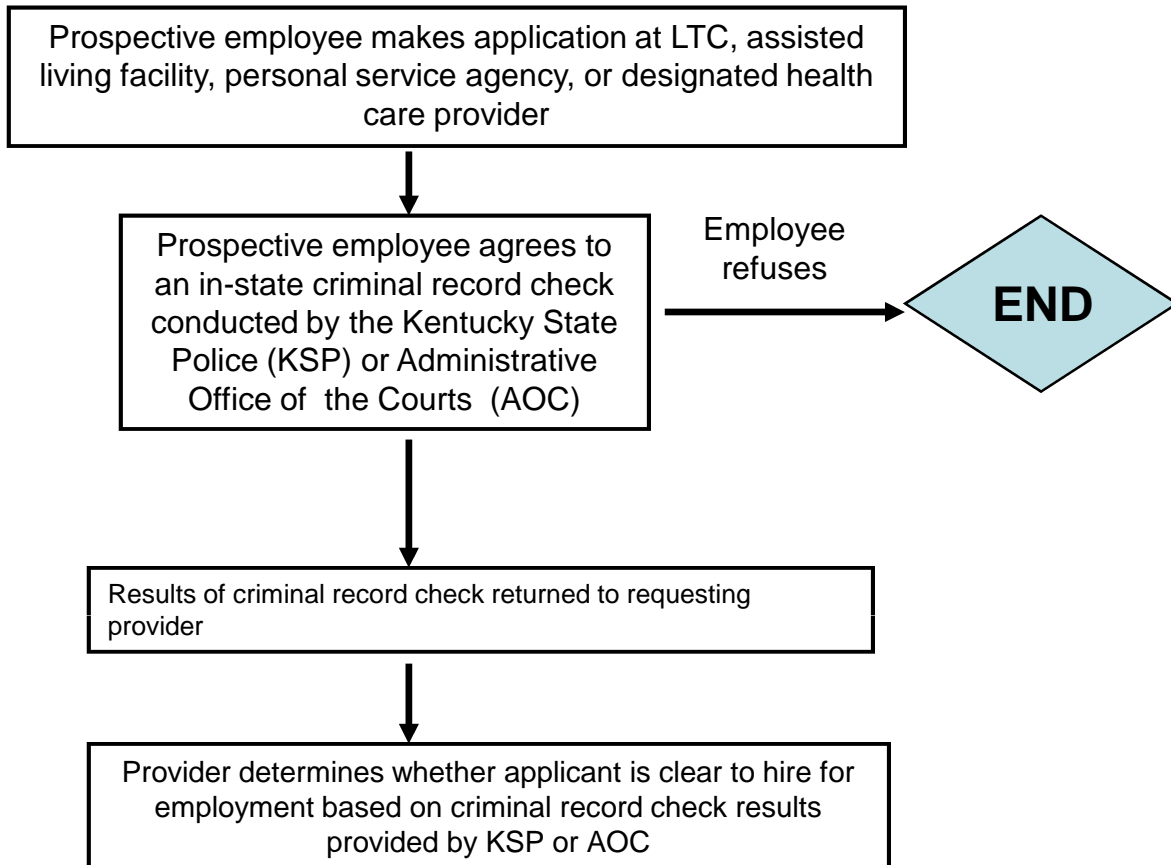
**Goals:** To enhance protective measures intended to reduce the potential for abuse, neglect, or exploitation of residents or patients by adding FBI checks where only State checks are currently done.

**Measurable Outcomes:** Increase in the number of disqualifications based on FBI checks.

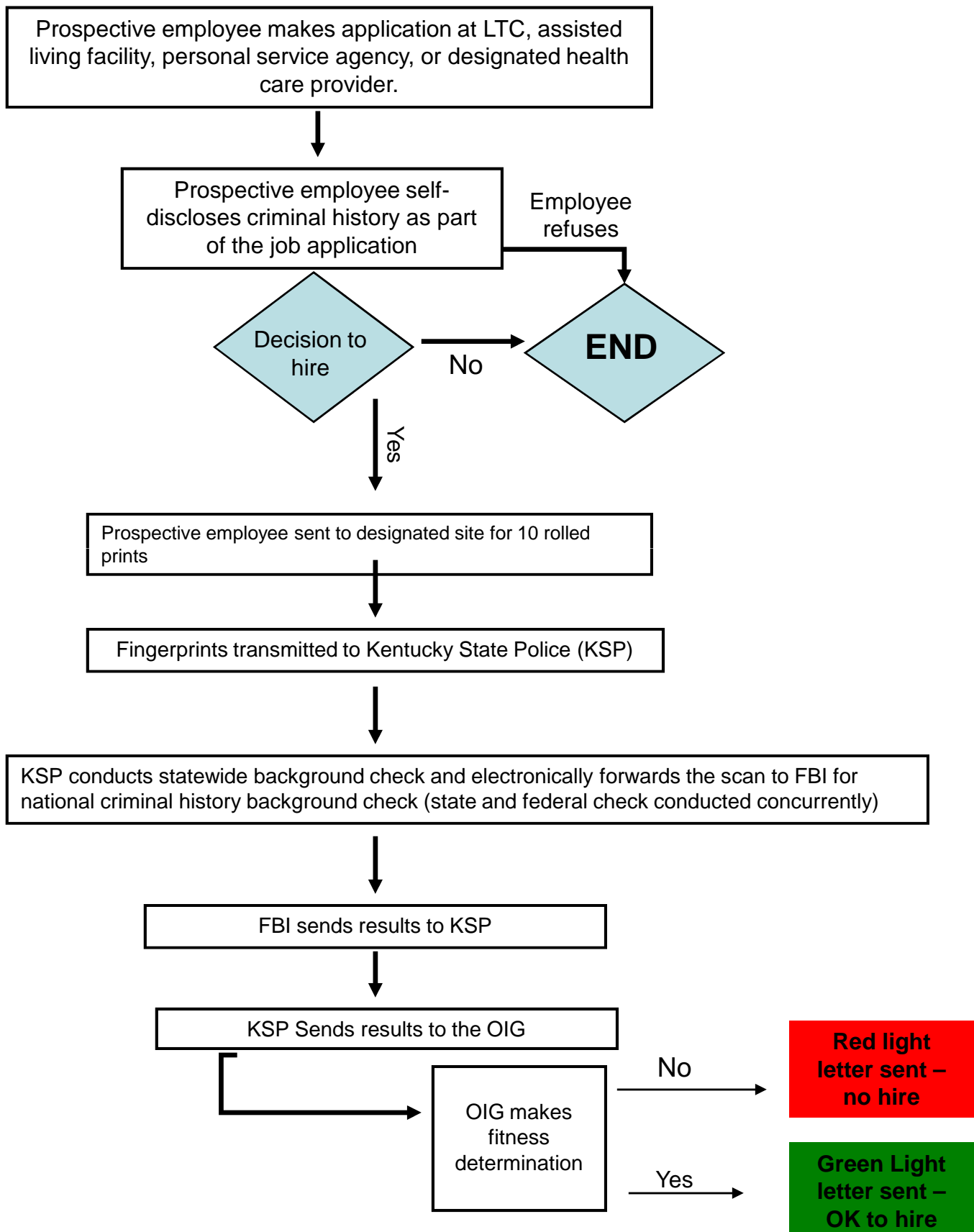
Major Action	Specific Tasks	Lead Person	Timeline (Month of Grant Period)																								Products
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
5. Begin and continue collecting fingerprints during grant period.	Implement procedures for collecting fingerprints.	Program Director													x	x	x	x	x	x	x	x	x	x	x	x	Completed National Background Checks
6. Establish database.	Talk to Kathy/Rodney											x	x	x													Capable Database
7. Establish appeal process.	Collaborate with the Administrative Hearings Branch to ensure independent review of appealable matters.	Program Director						x	x	x	x																Regulatory Language, Training Curriculum/ Materials
8. Secure additional state authority.	Draft legislation, meet with stakeholders, secure bill sponsor, act as liaison during 2011 Session of the General Assembly.	Cabinet’s legislative liaison.							x	x	x	x															Kentucky Regulation
9. Train survey staff on monitoring for compliance.	Develop and conduct training program for surveyors.	OIG’s Training Branch Manager													x	x	x	x									Training Curriculum/ Materials

## Current Process

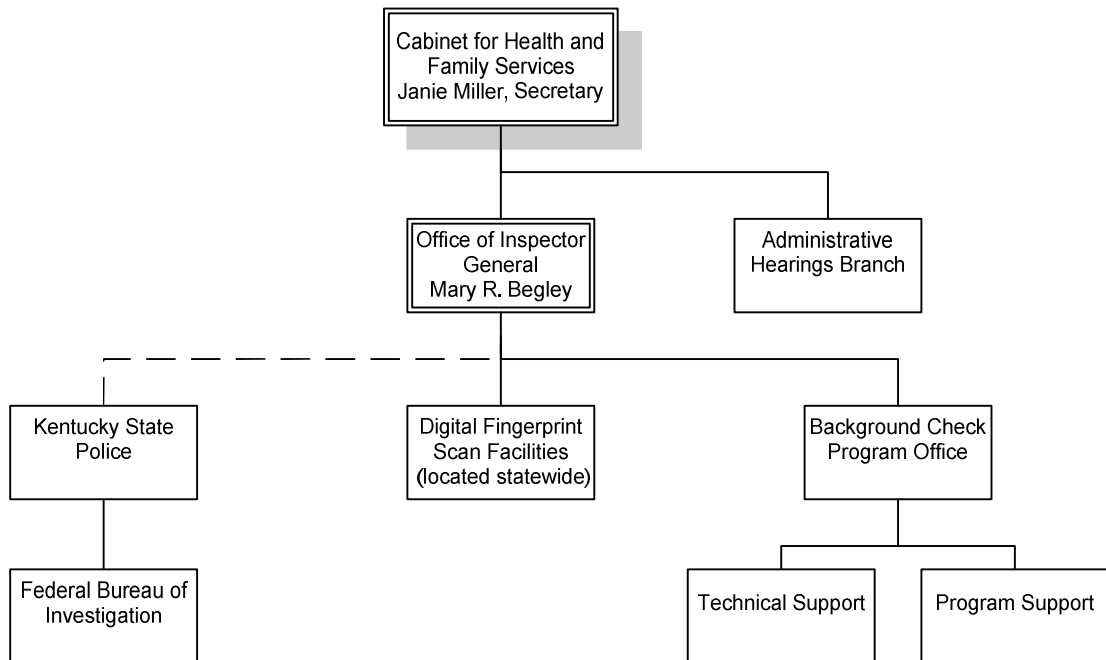
### In-state Criminal Records for Prospective Employees in Long-term Care Facilities, Assisted Living Communities, Personal Services Agencies, and Designated Health Care Providers



# Fingerprint Based Criminal Records for Prospective Employees in Long-term Care Facilities, Assisted Living Communities, Personal Services Agencies, and Designated Health Care Providers



## APPENDIX A



Commonwealth of Kentucky  
Cabinet for Health and Family Services  
Cost Allocation Plan – Effective July 1, 2004

COMMONWEALTH OF KENTUCKY  
CABINET FOR HEALTH AND FAMILY SERVICES

CHAPTER 6

OFFICE OF INSPECTOR GENERAL

COST ALLOCATION PLAN  
FOR GRANTS AND CONTRACTS  
WITH FEDERAL AGENCIES

Commonwealth of Kentucky  
Cabinet for Health and Family Services  
Cost Allocation Plan – Effective July 1, 2004

6. Office of Inspector General

6.1 Introduction

The Office of Inspector General is responsible for conducting audits and investigations of programs and operations of all departments and offices of the Cabinet for the purpose of detecting fraud or abuse of any program by any client or by any provider of services with whom the Cabinet has contracted, and conducting such licensing and regulatory functions as the Secretary may delegate. The Office consists of the following six units: Inspector General, Division of Audits and Detection, Division of Special Investigations, Division of Regulated Child Care, Division of Fraud Waste and Abuse Identification and Prevention, and Division of Health Care Facilities and Services.

6.2 Programs Administered by Office of Inspector General

Federal funds budgeted for operation of this program in Fiscal years 2005 and 2006 are:

CFDA – 93.777 – State survey and certification of health care providers and supplies

CFDA – 99.999 – Clinical Laboratory Improvement Agreement

CFDA – 99.999 - Hal Rogers Prescription Drug Fund

6.3 Organization Structure – Office of Inspector General

The Office of Inspector General is composed of the following units:

Inspector General

The Inspector General is responsible for overall administrative direction and supervision of services provided by the Office of Inspector General.

Cost incurred within the Office of the Inspector General may be charged to direct or indirect sub functions. Cost not identified to a direct sub function or a department pool code is charged to AS cost pool AXBB.

Division of Audits and Detection

The Division of Audits and Detection is responsible for conducting comprehensive audits and examinations of programs within the Cabinet, its grantees, and its contractors, as well as developing policies, procedures, standards, and criteria relating to audit activities at all levels within the Cabinet. It also evaluates external audits performed for the Cabinet to determine that such audits are being conducted in accordance with Cabinet objectives.

Cost incurred within the Division of Audits may be charged to a direct sub function or to the Office pool code AXEA. Cost charged to pool code AXEA are allocated monthly based on direct salaries charged to programs within the Division.



Commonwealth of Kentucky  
Cabinet for Health and Family Services  
Cost Allocation Plan – Effective July 1, 2004

Division of Special Investigations

The Division of Special Investigations is responsible for conducting, monitoring and screening client assistance programs for the purpose of identifying possible fraud, misrepresentation, and/or abuse and referring potential fraudulent activity to the Office of Attorney General for investigations and prosecution. Such special reviews or investigation are conducted upon request from the Inspector General.

Cost incurred within the Division of Special Investigations may be charged to a direct sub function or to the Office pool codes AXDA. Cost charged to pool code AXDA are allocated monthly based direct salaries charged to functions within the Division.

Division of Regulated Child Care

The Division of Regulated Child Care is responsible for licensing all child day care centers, child caring facilities and child placing agencies and for rating child day care centers pursuant to the mandated quality rating system.

Cost incurred within the Division of Regulated Child Care may be charged to a direct sub function or to the Office pool codes AXGA. Cost charged to pool code AXGA are allocated monthly based direct salaries charged to functions within the Division.

Division of Fraud Waste and Abuse Identification and Prevention

The Division of Fraud Waste and Abuse Identification and Prevention is responsible for identifying misuse of Medicaid dollars by recipients and collection of these dollars. It is also responsible for monitoring prescription drug distribution in the Kentucky All Schedule Prescription Electronic Reporting (KASPER) system for evidences of abuse and for providing information on suspected abuse to the appropriate law enforcement agencies.

Cost incurred within the Division of Fraud Waste and Abuse Identification and Prevention may be charged to a direct sub function or to the Office pool codes AXFA. Cost charged to pool code AXFA are allocated monthly based direct salaries charged to programs within the Division.

Division of Health Care Facilities and Services

The Division of Health Care Facilities and Services is responsible for ensuring compliance with licensure regulations by all health providers and with Federal regulations by health facilities and other providers participating in the Medicare and Medicaid programs.

Commonwealth of Kentucky  
Cabinet for Health and Family Services  
Cost Allocation Plan – Effective July 1, 2004

Cost incurred within the Division of Health Care Facilities and Services may be charged to a direct sub function or to the Office pool code AXHA. Cost charged to pool code AXHA are allocated monthly based direct salaries charged to programs within the Division.

6.4 Cost Allocation Procedures

Costs within all Divisions may be charged to direct sub functions or to the Cost Pools listed below. These are allocated monthly based on direct salaries charged to programs within the Office or Division. In addition, the Inspector General may charge costs to an indirect sub function.

AXBB	Office of Inspector General
AXEA	Division of Audits and Detection
AXDA	Division of Special Investigations
AXGA	Division of Regulated Child Care
AXFA	Division of Fraud Waste and Abuse Identification and Prevention
AXHA	Division of Health Care Facilities and Services